State of Iowa - Return on Investment Program / IT Project Evaluation

SECTION 1: PROPOSAL

Project Name: Records Management   Date: _10/01/00

Agency Point of Contact for Project: Leon Schwartz_____

Agency Point of Contact Phone Number / E-mail:
 Phone: 281-0060 Email: leon.schwartz@idop.state.ia.us

Executive Sponsor (Agency Director or Designee) Signature: _____

Is this project necessary for compliance with a Federal standard, initiative, or statute? (If "Yes," cite specific requirement, attach copy of requirement, and explain in Proposal Summary)	❑ Yes	☒ No
Is this project required by State statute? (If "Yes," explain in Proposal Summary)	❑ Yes	☒ No
Does this project meet a health, safety or security requirement? (If "Yes," explain in Proposal Summary)	❑ Yes	☒ No
Is this project necessary for compliance with an enterprise technology standard? (If "Yes," explain in Proposal Summary)	❑ Yes	☒ No
Does this project contribute to meeting a strategic goal of government? (If "Yes," explain in Proposal Summary)	☒ Yes	❑ No
Is this a "research and development" project? (If "Yes," explain in Proposal Summary)	❑ Yes	☒ No

PROPOSAL SUMMARY:

1. Description - This project contributes to meeting Accountable Government Goal 5, Strategy 5, which states:

   "Manage the IPERS retirement system to ensure financial soundness, and responsiveness to future needs of public retirees and taxpayers."

- Pre-project

One of IPERS' goals is to provide effective and efficient services to members and employers. Over the next ten years IPERS will experience a dramatic increase in the number of retirees due to the aging of the baby boomers, thus a large increase in workload for staff. IPERS currently maintains most member records on paper, and the volume of records and the activity associated with maintaining these records will also dramatically increase. IPERS also needs to address records management from a disaster recovery perspective. Currently there is only one

set of paper records in existence that would present a tremendous burden should some type of disaster occur. IPERS has a fiduciary responsibility to insure that the trust fund is properly managed and records management is an important component of carrying out that responsibility. Due to the need to keep records for extended periods of time, it is imperative to have a system that is readily accessible, organized and secure IPERS has requested funding to develop a record management plan and complete the first phase of document conversion. The records management plan will include a complete analysis of record requirements, migration plan, image/workflow plan, disaster recovery plan and a phased implementation plan.

We plan to create a new position to serve as the Records Management Coordinator who will be responsible for overseeing the project, working with staff to determine specifications, coordinating implementation of policies, managing records and interfacing with Cultural Affairs. This project also involves technical analysis, planning, design and maintenance for the document management repository and someone to scan and index documents. IPERS plans to use consultants to assist in the planning of the overall document plan as well as assisting with the identification and selection of hardware/software that would need to be purchased.

SECTION 2: PROJECT PLAN

1. Agency Information

Project Executive Sponsor Responsibilities: Leon Schwartz, Chief Operations Officer

Organization Skills: This project requires a collaboration of a number of skills including business knowledge and information technology. Business knowledge requires a working knowledge of the records used and maintained by IPERS as well as knowledge of state document records retention. These skills are currently available among IPERS staff from Retirement Benefits, Legal and Communication and Administration. This project also requires information technology skills in the area of image and workflow. This technology is new to IPERS staff so outside assistance would be necessary to provide technical expertise in the overall structure design and appropriate hardware/software selections and implementation.

2. Project Information

Mission, Goals, Objectives: The project plan should clearly demonstrate that the project has developed from an idea to a detailed plan of action. The project plan must link the project to an agency's mission, goals, and objectives and define project objectives and how they will be reached. The project plan should include the following:

A. **Expectations**: It is expected that this project will result in the implementation of a structured records system that will allow easy access and retrieval for staff to perform daily tasks to serve members. It is also expected that this system will provide for duplicate storage of records that could be used in case of disaster recovery and this system would allow for retention and maintenance of records for extended periods of time.

B. **Measures**: Staff would realize a change in the time required accessing records and less time spent searching for missing files. A percentage of files would be available electronically which would be backed up for disaster recovery purposes.

C. **Environment:** IPERS business staff will provide the information needed for identification and retention of records. IPERS technical staff will provide assistance in the development, design, coding, testing and implementation of the system. Consulting services will be used to provide overall technical expertise. There are several other retirement systems that currently have or are planning to implement image/workflow systems. IPERS currently has the ability to communicate with these systems to work towards sharing of ideas and information. IPERS also recognizes that there are other state agencies that have image systems that may be able to provide assistance.

D. **Project Management and Risk Mitigation**: IPERS has an internal process established for managing IT projects. A steering committee that consists of management staff as will as business line staff serves as the focal point for making decisions that affect projects. Project Managers are assigned and are responsible for overseeing the day to day activities of the project, insuring that issues are resolved and reporting project status. IT project budgets are established outside of normal funding so they can be properly managed and reviewed by the Steering Committee.

E. **Security / Data Integrity / Data Accuracy / Information Privacy**: Data integrity and security is of highest concern for IPERS. Records management plays a large role in maintaining secure and accurate information. IPERS has a team of staff dedicated to data integrity and would utilize this staff as needed throughout this project. IPERS would also rely on consulting staff to assist in the structuring of document access and workflow so that only authorized personnel have access to the information.

3.   **Current Technology Environment (Describe the following):**

A. **Software (Client Side / Server Side / Midrange / Mainframe)**

- Application software: Microsoft Office, MS Project, Cool:Biz, Cool:2E, OV/400 (converting to Lotus Notes), Visual Info (AS/400)
- Operating system software: OS/400 & Windows NT
- Interfaces to other systems: All software interfaces are internal with the exception of email and file transfers.

B. **Hardware (Client Side / Server Side / Mid-range / Mainframe):**

- AS/400 Model 720 including internal Windows NT servers, 3995 Optical Drive, stand alone Windows NT server.
- All IBM compatible PCs running Windows NT.

4. **Proposed Environment (Describe the following):**

IT Project Evaluation

At this time IPERS does not have a specific proposed environment, this is the first phase of the project, which includes determining the environment. IPERS does have a commitment to remain on the AS/400 platform and would want a workflow system that would provide for integration with data files.

Data Elements: At this time it is not anticipated that there will be a need for any new databases outside of the necessary index and workflow files required for the technology.

Project Schedule:
July 01 - November 01: Information gathering, rule/policy development, plan draft
December 01 - April 02: Establish Technology Environment
May 02 - June 02: Development, construction, document scanning begins, testing

SECTION 3: Return On Investment (ROI) Financial Analysis

Project Budget:

Provide the estimated project cost by expense category.

```
Personnel ............................... $_136,630
Software ................................ $_150,000____
Hardware............................... $_308,000
Training ................................. $_ 10,000_____
Facilities ............................... $_  7,500_____
Professional Services............. $  80,000_____
Supplies ............................... $  _1,500_____
Other (Specify)………………. $_____
             Total.................. $_693,630____
```

Project Funding:

Provide the estimated project cost by funding source.

```
State Funds............................ $_____.........._____ % of total cost
Federal Funds....................... $_____.........._____ % of total cost
Local Gov. Funds .................. $_____.........._____ % of total cost
Private Funds ........................ $_____.........._____ % of total cost
Other Funds (Specify)*.......... $ 693,630     ____........._____100_ % of total cost
          Total Cost: .............. $_____.........._____ % of total cost
```

*IPERS Trust Fund

Provide the estimated project cost by fiscal year.

How much of the cost would be incurred by your agency
from normal operating budgets (staff, equipment, etc.)? ....……$_____   __0__%

How much of the cost would be paid by requested State IT project funds? $_____   ___0_%

Identify, list, and quantify all annual maintenance expenses (State Share) related to the project.

There would be no state share costs associated with this project. There will be normal hardware/software maintenance fees, normally around 20%, which would be paid from the IPERS Trust Fund.

Identify, list, and quantify any other future expenses (State Share) related to the project.

There would be normal costs associated with upkeep with new technology changes as well as future growth of disk space.

ROI Financial Worksheet

Records Management

Annual Pre-Project Cost - How You Perform The Function(s) Now	
FTE Cost (salary plus benefits):	$755,704
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	$90,000
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	$656,000
A. Total Annual Pre-Project Cost:	$1,501,704
Annual Post-Project Cost – How You Propose to Perform the Function(s)	
FTE Cost:	$170,034
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	$92,000
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	0
B. Total Annual Post-Project Cost:	$262,034
State Government Benefit (= A-B):	$1,239,670
Annual Benefit Summary	
State Government Benefit:	$1,239,670
Citizen Benefit (including quantifiable "hidden taxes"):	0
Opportunity Value and Risk/Loss Avoidance Benefit:	0
C. Total Annual Project Benefit:	$1,239,670
D. Total Annual Project Cost:	$185,309
Benefit / Cost Ratio (C / D):	6.68
ROI (C – D / Requested State IT Project Funds):	**151%**
☒ Benefits Not Cost Related or Quantifiable (including non-quantifiable "hidden taxes")	

ROI Financial Worksheet Directions (Attach Written Detail as Requested):

Annual Pre-Project Cost -- IPERS staff heavily relies on member files to obtain information needed to process benefits payments and respond to legal issues. It is estimated that the Retirement Benefits staff spends 25% ($462,580 based on average salary for forty staff) of their time filing, pulling and reviewing files in order to respond to member benefit processing. It is estimated that Legal and Communications staff spend 20% ($279,408 based on average salary for four staff) of their time researching files for litigation and performing records management program functions. It is also estimated that the mail staff (1) spends 50% ($13,716) of their time opening and distributing member documentation. Support Costs for these positions were estimated at $2,000 per year. Other cost factors were based on costs for the purchase of an additional file storage system ($80,000) which would be needed to house the growing number of documents. Another cost factor considered is the cost of replacing files should some type of disaster occur. This figure was calculated based on restoring only retiree files so it is an extremely conservative figure (70,000 retiree files vs. an additional 230,000 member files). The cost was estimated using 40 staff members over a six-week period of time at $15.00 per hour ($576,000)

Annual Post-Project Cost -- It is estimated that the Retirement Benefits staff time using files would be reduced to 5% ($92,516). It is estimated that Legal and Communications staff time searching for files to use during litigation would be reduced to 2% ($2,794). Two staff members would be fully dedicated to records management, one to serve as coordinator and one to scan/index documents ($74,724). Support costs for these staff members would be $2,000 per year.

Total Annual Project Cost

Software total is $251,906 and the Hardware total is 367,000. IPERS used the recommended life cycle calculation of 4 years life cycle for software and 3 years life cycle for hardware.

Benefits Not Cost Related or Quantifiable --

Rating 10: IPERS is the designated custodian of member files. These files span the course of an employee's employment period and can be over 35 years worth of history. Part of the benefit of this project is to implement a method to preserve those records and to safeguard them against loss due to some type of disaster. The costs indicated in the financial worksheet reflect only a small portion of the records that would need to be restored in the case of a disaster. There are 230,000 additional files that would need to be reconstructed. It would be extremely difficult for IPERS to reconstruct the files because this information would need to be obtained from employers, some of which would no longer have documentation available. The impact of not having member history could quickly grow into millions of dollars due to the many lawsuits that could develop.

Rating 9: Improved Member Service - Staff could verify the information in member files more quickly, which would save them time and expedite distributions. Documentation could be traced at the source instead of after the fact.

Rating 9: Improved Security - some of the costs associated with disaster recover have been covered in the cost portion of this worksheet. The records management coordinator will develop a tracking system for paper files, so that only authorized staff can access the information. Imaging the information currently kept in paper files will allow more differentiated access to documents, which will help ensure accuracy and confidentiality and prevent physical destruction because data can be routinely backed up.